

HOUSE BILL REPORT

E2SHB 2782

As Amended by the Senate

Title: An act relating to establishing the security lifeline act.

Brief Description: Concerning the security lifeline act.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Dickerson, Appleton, McCoy, Carlyle, Morrell, Kagi, Kessler, Green, Ericks, Moeller, Roberts, Nelson and Orwall).

Brief History:

Committee Activity:

Human Services: 1/21/10, 1/28/10 [DPS];

Ways & Means: 2/6/10, 2/9/10 [DP2S(w/o sub HS)].

Floor Activity:

Passed House: 2/12/10, 55-41.

First Special Session

Floor Activity:

Passed House: 3/19/10, 59-36.

Brief Summary of Engrossed Second Substitute Bill

- Designates the Department of Social and Health Services (DSHS) as the executive sponsor of the planning process for creating a user-friendly electronic Opportunity Portal to allow Washington residents to access a broad array of benefits. If sufficient private funding is not secured by December 31, 2010, the authorization for the Opportunity Portal is null and void.
- Changes the name of the Food Stamp Employment and Training Program to the Basic Food Employment and Training Program and expands it, subject to federal approval, to add three additional community colleges or other community-based locations in 2010.
- Requires the DSHS, the Employment Security Department, and the State Board for Community and Technical Colleges to seek out community organizations that can provide support services and case management services for participants in the Basic Food Employment and Training Program and to identify and obtain private and federal funds for employment and training services.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- Renames the General Assistance Program as the "Disability Lifeline Program."
- Sets time limits for eligibility for benefits under the Disability Lifeline Program, a 24-month maximum within a 5-year period, and under certain circumstances, an 18-month maximum with a 3-year period. These time limits expire June 30, 2013.
- Requires the DSHS to implement an Early Supplemental Security Income Transition Project in King, Pierce, and Spokane counties, later expanded statewide, to facilitate the transition of persons likely to be eligible for federal Supplemental Security Income benefits.
- Creates a Housing Voucher Program to provide housing vouchers, where sufficient housing is available, to applicants for Disability Lifeline Benefits who are homeless and who need mental health or chemical dependency treatment.
- Requires the development of an assessment tool to determine whether Disability Lifeline applicants may benefit from programs offered by the Division of Vocational Rehabilitation, and that the tool be developed by December 1, 2010 and be in use by January 1, 2010.
- Requires the DSHS to screen Disability Lifeline program applicants for service in the United States Military and a determination regarding whether such applicants are eligible for state or federal benefits based upon such service.
- Requires that individuals who lose Disability Lifeline benefits due to improvements in health status be given high priority for enrollment in the Basic Health Plan if they are eligible.
- Gives high priority for drug or alcohol treatment to Disability Lifeline clients that require treatment to improve their health to transition to employment or federal benefits, but requires that pregnant women and parents be given first priority.
- Requires the Washington State Institute for Public Policy to prepare a report regarding persons terminated under the time-limit provisions for Disability Lifeline benefits regarding receipt of federal Supplemental Security Income benefits, employment, arrest and conviction data, and other criteria.

HOUSE COMMITTEE ON HUMAN SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Dickerson, Chair; Orwall, Vice Chair; Darneille, Green, O'Brien and Walsh.

Minority Report: Do not pass. Signed by 2 members: Representatives Dammeier, Ranking Minority Member; Herrera.

Staff: Linda Merelle (786-7092).

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Human Services. Signed by 14 members: Representatives Linville, Chair; Ericks, Vice Chair; Sullivan, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew and Seaquist.

Minority Report: Do not pass. Signed by 8 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Priest, Ross and Schmick.

Staff: Erik Cornellier (786-7116).

Background:

Access to Benefits.

Individuals are currently able to apply for and renew public assistance benefits online from their home and from kiosks located in the waiting areas in the offices of the Department of Social and Health Services (DSHS). The benefits available through this online service access application include food assistance, cash assistance, medical assistance, drug or alcohol treatment, assisted living, child care, and in-home care.

Since the summer of 2009, the DSHS has been working with a steering committee composed of nonprofit organizations, government agencies, and community organizations to develop a web-based benefits portal to allow eligible persons to apply for and access additional benefits such as energy assistance, federal student aid, housing assistance, and others. A request for proposals is being developed, and the steering committee is seeking private funding for the portal project.

Food Stamp Employment and Training Program.

The Food Stamp Employment and Training Program (Program) was established and administered through the Employment Security Department and the DSHS pursuant to a provision in the Washington Administrative Code. Recipients of assistance under the Basic Food Program, unless they are exempt, are required to participate in the Program. Participants engage in job search workshops and receive assistance in job placement.

Emphasis in the Program is given to participants who have been assessed as needing basic education, a General Equivalency Diploma (GED), English as a second language, or vocational training in order to increase their opportunity for employment. Currently 12 community colleges participate in the Program.

General Assistance Program.

The General Assistance Program (General Assistance) is a public assistance program for low income individuals. Recipients are eligible for a cash grant, food assistance, and medical care, including mental health care. Individuals who are eligible for General Assistance are not eligible for other federal assistance other than food assistance, and they are incapacitated from gainful employment because of a physical or mental infirmity that will likely continue for at least 90 days. If the infirmity is primarily due to a drug or alcohol addiction, a person is not eligible for General Assistance. The monthly cash grant amount for general assistance is \$339.

Summary of Engrossed Second Substitute Bill:

Opportunity Portal.

The Secretary of the DSHS will act as the executive branch sponsor of the portal planning process. The DSHS must:

- identify and select an appropriate solution and acquisition approach to integrate technology systems for a user-friendly electronic tool for Washington Residents to apply for benefits;
- facilitate the adaptation of state information technology systems to allow applications for benefits generated through the Opportunity Portal and other compatible electronic application systems to seamlessly link to state information systems;
- ensure that the Opportunity Portal provides access to state, federal, and local services which include health care services, higher education financial aid, tax credits, civic engagement, nutrition assistance, energy assistance, family support, and disability lifeline benefits;
- maximize collaboration with community-based organizations to facilitate use by low-income individuals and families;
- provide access to the Opportunity Portal through many and varied locations;
- maximize available federal and private funds for the development and initial operation of the Opportunity Portal; and
- determine a solution and acquisition approach by June 1, 2010.

Paperless Application Processes. The DSHS must develop a plan for implementing paperless application processes for the services included in the Opportunity Portal. The plan should include the goal of achieving the transition of the services offered through the Opportunity Portal to paperless application processes by July 1, 2012.

Funding and Contracting. The Secretary of the DSHS must seek private funding for the development and initial operation of the Opportunity Portal. Incidental costs to state agencies are to be derived from existing resources. If private funding sufficient to implement and operate the Opportunity Portal is not secured by December 31, 2010, the section authorizing its implementation becomes null and void.

Any contract that DSHS enters into to implement the Opportunity Portal must be performance-based.

Reporting. The DSHS must submit an annual report to the Legislature and the Governor regarding implementation, outcomes, and use of the Opportunity Portal. The first report is due on December 1, 2011.

Expanding the Basic Food Employment and Training Program.

The Food Stamp Employment and Training Program is renamed the "Basic Food Employment and Training Program." The DSHS, the Employment Security Department, and the State Board for Community and Technical Colleges must work in a partnership to expand the Basic Food Employment and Training Program (Program). Subject to federal approval, the Program will be expanded to three additional community colleges or other community-based locations in 2010 and will expand capacity of the 12 currently participating colleges.

The agencies working in partnership must seek out community organizations that can provide support services and case management to participants in the Program, and they must identify funds with which to draw down federal matching funds for employment and training services. Support services provided by community-based organizations must supplement, and not replace, the positions or work of employees of the DSHS.

Employment and training funds may be allocated for skill development for employment, vocational education, English as a second language, job readiness, tuition, housing, counseling, transportation, and other services.

Reporting. The DSHS must annually track and report outcomes, including federal funding received, the number of participants served, completion rates, wages, and other outcome-related data. The report must be submitted to the Governor and appropriate legislative committees on November 1 of each year, beginning in 2010.

Disability Lifeline Program.

The General Assistance Program is renamed the "Disability Lifeline Program." All of the eligibility requirements and conditions that were in place for the General Assistance Program, including the cash benefit amount, remain in place. An individual cannot continue to receive Disability Lifeline benefits if he or she refuses without good cause to participate in needed treatment or other program services. Good cause includes an emotional or physical disability that prevents participation or the unavailability of treatment.

The DSHS must adopt medical criteria for Disability Lifeline incapacity determinations to ensure that the eligibility decisions are consistent with statutory requirements and are based on clear, objective medical information. The standard for incapacity is not intended to be as stringent as the federal Supplemental Security Income (SSI) disability standards. In any event, the criteria for eligibility must not be more restrictive than the standards for federal SSI standards. Any eligibility decision which rejects uncontroverted medical opinion must set forth clear and convincing reasons for such action.

There are additional provisions contained in the Disability Lifeline Program:

Eligibility Time Limits. As of September 1, 2010, a person will not be eligible to receive Disability Lifeline benefits for more than 24 months in a 5-year period. This time limit is retroactive, and applies to persons already receiving benefits. The months spent receiving General Assistance-Unemployable (GA-U) benefits prior to the effective date of the act will be counted towards the 24-month limit. Months spent on the Disability Lifeline or the GA-U expedited program or the General Disability Lifeline or GA programs under the categories of aged, blind, or disabled do not count toward the 24-month limit.

The time limit may be modified to 18 months within a 3-year period if the DSHS is consistently reviewing the cases of all persons who have received the Disability Lifeline benefits for GA-U benefits or 12 months and the performance goals of the review process have consistently been met statewide for a continuous period of 12 months.

By July 1, 2010, the DSHS must review the cases of all persons who have received Disability Lifeline or GA-U benefits for at least 12 months as of that date. The review should determine whether the person meets the federal SSI income disability standard and whether the receipt of additional services could lead to employability. If the DSHS identifies a need for additional services, it must provide case management services such as assistance with transportation or housing to facilitate access to needed services. A person may not be deemed to have exceeded the time limit unless he or she has received a case review.

The time-limit provisions of the act expire June 30, 2013.

Early Supplemental Security Income Transition Project. The DSHS must implement the Early Supplemental Security Income Transition Project (Project) starting in King, Pierce, and Spokane counties. The program in these three counties must be implemented no later than July 1, 2010 and extend statewide no later than October 1, 2011, and must use performance-based contracts.

The Project must systematically screen Disability Lifeline applicants to determine whether they are likely eligible for federal SSI. The Project must also maintain a centralized appointment and clinical data system and assist persons receiving Disability Lifeline Benefits with obtaining additional medical or behavioral health examinations need to meet the federal SSI disability standard. Persons under this Project who are found to be likely eligible for federal Supplemental Security Income (SSI) will be moved into the Disability Lifeline Expedited program.

The Project will have the following performance goals:

- persons receiving Disability Lifeline benefits should be screened within 30 days of entering the Project to determine the propriety of their transfer to the Disability Lifeline Expedited program; and
- 75 percent of persons receiving Disability Lifeline benefits that are likely to qualify for federal SSI benefits must be transferred to the Disability Lifeline Expedited program within four months of their application for Disability Lifeline benefits.

By December 1, 2011, the DSHS must report to the Governor and the appropriate policy and fiscal committees regarding the project's performance goals.

Housing Voucher Program. The Department of Commerce and the DSHS must jointly develop a Housing Voucher (HV) Program. To the greatest extent possible, the housing resources provided by the HV Program must follow the supportive housing model. The Department of Commerce must administer the HV Program and identify the current supply of private and public housing, including acquisition and rental of existing housing stock. The Department of Commerce must develop funding strategies and design the HV Program to maximize the ability of the DSHS to recover federal funding.

Applicants who are homeless and have been assessed as needing chemical dependency or mental health treatment, or both, must agree as a condition of eligibility to accept a housing voucher in place of a cash grant if a voucher is available. The dollar-value of the housing voucher is established by the DSHS and may differ from the value of the cash grant. Persons receiving a housing voucher will also receive a \$50 cash stipend per month. Persons who refuse to accept a housing voucher, but are otherwise eligible for Disability Lifeline Benefits, remain eligible for medical care services benefits.

If the Department of Commerce determines that sufficient housing is not available, persons who are homeless and have mental health or chemical dependency needs will receive a cash grant instead of a housing voucher.

The Department of Commerce and the DSHS must evaluate the impact of the use of the housing vouchers and report to the Governor and Legislature by November 30, 2012 regarding supply, affordability, appropriateness, and use of housing; outcomes; participation in chemical dependency or mental health treatment; contact with law enforcement; use of hospital emergency room services; and commitments under the Involuntary Treatment Act.

Referral to the Division of Vocational Rehabilitation. The Economic Services Administration (ESA) must work jointly with the Division of Vocational Rehabilitation (DVR) to develop an assessment tool to determine whether the programs offered by the DVR could assist persons receiving Disability Lifeline benefits in returning to the work force. The assessment tool must be completed no later than December 1, 2010. The ESA must begin using the tool no later than January 1, 2011. By December 10, 2011, the Department must report on the use of the tool and the success of DVR programs in returning persons to the work force.

Referral to the Department of Veterans Affairs. During the application process for Disability Lifeline benefits, the DSHS must inquire whether the applicant has ever served in the U.S. Military Service. For any applicant who has served, the DSHS must confer with a veteran's benefit specialist with the Washington State Department of Veterans Affairs to determine whether the applicant is eligible for any benefits or programs offered by either the state or federal government.

Basic Health Plan Enrollment. Individuals who have lost eligibility for Disability Lifeline Program benefits due to improvements in their health status and who are eligible for subsidized basic health coverage must be given high priority for enrollment in the Basic Health Plan.

Access to Chemical Dependency Treatment. If the DSHS or an entity that has contracted with the DSHS to provide medical care services to Disability Lifeline Program clients determines that chemical dependency treatment is necessary to improve his or her health status for transition to employment or transition to federal disability benefits, the DSHS or the contracting entity must give the client high priority to enroll in chemical dependency treatment within funds appropriated for chemical dependency treatment. The first priority goes to pregnant women and parents. This requirement expires on June 30, 2013.

Report by the Washington State Institute for Public Policy. By December 1, 2012, the Washington State Institute for Public Policy (WSIPP) must submit a report to the Governor and the Legislature that analyzes the experience of persons terminated from Disability Lifeline Benefits. The report must include the number of persons terminated who transferred to federal SSI benefits; the number of persons who became employed; the rate of use of hospital emergency room services; arrest and criminal conviction data; mortality rate; and whether the case review and performance goal standards of the Early Supplemental Security Income Transition Project have been met.

Funding for the Act.

The provisions of this act must be implemented within the amounts appropriated specifically for their purpose in the Omnibus Operating Appropriations Act.

EFFECT OF SENATE AMENDMENT(S):

Incorporates the standard of incapacity for Disability Lifeline applicants into the criteria for the Disability Lifeline program rather than in the provision regarding medical eligibility criteria; requires a first round of reviews of Disability Lifeline clients, no later than July 1, 2010, for those clients who have been on the program for more than 20 months as of that date, rather than 12 months; requires an additional round of reviews to begin on September 1, 2010 for those who have been receiving benefits for more than 12 months as of that date; removes the provision which allowed the department to decrease the time limit for receiving Disability Lifeline benefits to 18 months within a 3-year period if certain conditions were met; modifies the criteria that must be met by contractors for the Early Supplemental Security Income (SSI) Transfer Project to state that 75% of persons receiving Disability Lifeline benefits who "appear likely" to be eligible for SSI benefits rather 75% of those who "are likely" must be transferred to the Disability Lifeline Expedited program within four months of application for benefits.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately, except section 10, relating to high priority for clients needing chemical dependency treatment in order improve to health status, transition to employment, or to federal disability benefits, which takes effect July 1, 2010. However, section 2 is null and void, if funding to implement and operate the Opportunity Portal is not secured by December 31, 2010.

Staff Summary of Public Testimony (Human Services):

(In support) The state is in the midst of an economic crisis, but morally, we cannot afford not to help. This Disability Lifeline is designed to help neighbors. They can not be helped by a single program or entity. Private philanthropy and nonprofit groups are committed to make this bill revenue neutral. It offers hope to those who have lost hope. Each year millions of funds go unclaimed. The Opportunity Portal will use state-of-the-art technology. The Gates Foundation is one of the leading partners. Some of these efforts are already underway. Additional philanthropy groups are added. The Food Stamp Employment and Training Program is a federally funded effort. The good news is that this has already been successful. More than half of the participants in the program became employed with a median wage of \$10.53 per hour. The Disability Lifeline Program aims to give a lifeline to people in the state. We need to move persons onto to SSI faster. Disability Lifeline clients should not be out on a limb with no health care at all. Up to one-third of the General Assistance-Unemployable population have a second disability of chemical dependency. It will save money in the criminal justice budget. Twenty-five percent of those on General Assistance-Unemployable are homeless. In King County, up to 40 percent are homeless. Federal SSI facilitation and figuring out a way to really integrate facilitation with the frontline health care providers is critical. Priority for people with substance abuse and the Basic Health Plan is good because once someone is stabilized, it is important to keep them stabilized. The Opportunity Portal will make it easier for clients to find services.

The majority of crime is committed by a small minority of folks. When people lose jobs, services, education, or get blindsided, they sometimes turn to other unhealthy means to cope, and they may turn to criminal behavior. This bill is a form of crime prevention. Several states are combining cutting-edge software and outreach and organizing with impressive results. This legislation would amplify and streamline current efforts to develop a benefits portal. Nationally the system is showing impressive results. The Governor has been working with foundations, nonprofit organizations, and agencies to develop the Opportunity Portal. This legislation would amplify those efforts. One concern is that the bill requires the DSHS to move clients to the General Assistance Expedited program within 90 days. Sometimes that is not enough time.

Managed health care would improve lives and get clients onto SSI faster. The Opportunity Portal is great. Chemical dependency is of particular importance to local governments. The General Assistance-Unemployable population are often homeless or at risk of homelessness. A cut to the cash grant could drive recipients into homelessness very easily.

(Information only) We cannot fiscally sustain caseload-driven programs for adults who are unable to work because of mental or physical incapacity to work. The timeline of 90 days is difficult to obtain sufficient evidence for the SSI program eligibility. It is uncertain how the high priority in the Basic Health Plan and chemical access provisions would be implemented, and there is an issue of how this would capture savings. There is concern regarding savings in the housing model, how it would be funded, and how adequate housing would be provided.

(Opposed) None.

Staff Summary of Public Testimony (Ways & Means):

(In support) Changing the name of the General Assistance Program to Disability Lifeline puts a spotlight on the true purpose of the General Assistance Program, which is a lifeline for people who are incapacitated and prevented from working. Identifying people for Supplemental Security Income quicker will bring down program costs, along with the shortened length of stay in the program from the transition to managed care with a mental health benefit. The goal of giving people who leave the Disability Lifeline Program due to health improvements priority in the Basic Health Plan is to prevent people from falling back to the Disability Lifeline due to complications from their conditions. The housing pilot is modeled on a successful program in San Francisco that provided a one-stop shop for services where clients live, which helped the clients achieve self-sufficiency. This would result in state savings and it is a compassionate way to continue the program for this fragile client base. The Food Stamp Employment and Training Program follows the lead of other states and brings in federal matching funds. The state has already identified private funds for the Opportunity Portal, and that section is null and void if the state does not raise enough private funding. The costs for the portal are minimal, and it will decrease the number of employees needed to process applications for services.

(Oppose) None.

Persons Testifying (Human Services): (In support) Representative Dickerson, prime sponsor; Zach Carstensen, Jewish Federation; Assistant Chief Nick Metz, Seattle Police Department; Tom Beyers, Cedar River Group; Patty Hayes, Within Reach; Carol Wood, United Way of King County; Betsy Jones, Community Health Plan; Robin Zukoski, Columbia Legal Services and Voices of Spokane; Tony Lee, Solid Ground; Rashi Gupta, Washington State Association of Counties; Carey Morris, King County; and Nick Federici, Washington Low Income Housing Alliance.

(Information only) Alexis Oliver, Office of the Governor.

Persons Testifying (Ways & Means): Robin Zukoski, Columbia Legal Services; Tony Lee, Solid Ground; and Nick Federici, United Way of King County and Washington Low Income Housing Alliance.

Persons Signed In To Testify But Not Testifying (Human Services): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.